

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6016

BILL NUMBER: HB 1851

DATE PREPARED: Feb 8, 2001

BILL AMENDED: Feb 8, 2001

SUBJECT: Group insurance for township employees.

FISCAL ANALYST: Chris Baker

PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: (Amended) The bill provides that a township may elect to provide coverage for township employees under a group insurance program offered to county employees by the county in which the township is located. It specifies that a township employee covered under a county group insurance program and the township in which the employee is employed must pay the same total insurance premium that is charged for a county employee insured under the county group insurance program. The bill also specifies that the township must pay any costs incurred by the county as a result of providing the county group insurance program to the township's employees.

Effective Date: January 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *County Impact:* The decision to join a county group health plan would be optional for townships. There are 1,008 townships in Indiana. A township that chooses to participate in a group health program established for county employees may affect the county health plan premium prices depending on the township employees' health claims histories. There could also be an increase in cost to a county if the county chooses to pay the employer's share of the premium for township employees.

Township Impact: As amended, the bill requires that a township electing to join a county group insurance program and the township employees insured under the county group insurance program to pay the same total insurance premium that is charged for each insured county employee. Additionally, electing townships and township employees insured under the county group insurance must pay any additional cost to a county as a result of providing a county group insurance program to township employees. A county may elect to pay

the public employer's share of the premium to township employees. Townships electing to join a county group insurance program, would face increased expenditures to pay for additional costs by a county to place a township in a county's group insurance program. Any additional costs would be accrued to an electing township, regardless of a county electing to pay the employer's share of premiums for an electing township's employees.

Townships may realize some savings through a reduction in the employer's share of premium costs as well as a reduction in the administration of the employees' health plan if they elect to join the county's group health plan. These savings are dependent on local action and would vary among townships.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Townships; Counties.

Information Sources: Steve Buschmann, Representing the Indiana Township Association, (317) 636-5511.